

CENTRAL INTELLIGENCE AGENCY  
Office of Current Intelligence  
18 November 1963

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CURRENT INTELLIGENCE MEMORANDUM

SUBJECT: The Military Situation in South Vietnam

SUMMARY

The prolonged crisis in Saigon has tended to obscure the fact that the Viet Cong, by July 1963, had adjusted to the challenge of the stepped-up US-Vietnamese efforts of 1962 and were prepared to continue the struggle at a more intensive level. It is now evident that the Viet Cong have adapted their tactics to cope with the new government programs and have at the same time been provided with more trained men and more equipment from Hanoi. If the Viet Cong continue successful in countering fresh government efforts with improved tactics, more weapons, and a continuing supply of trained men from the north, the war in Vietnam will be a prolonged and grinding test of endurance, will and morale.

ARMY review(s) completed.

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1. The change in government in Saigon occurred at a time when the Viet Cong insurgency appeared to be regaining momentum. Although key government programs were continuing to make some progress, their pace had slackened somewhat in the face of a serious Viet Cong challenge to the heart of the counterinsurgency effort --the strategic hamlet program. Trends reflected in operational statistics had taken an unfavorable turn since July, and the strategic hamlet program had bogged down in the Mekong Delta area.

2. While these developments might be attributable in part to a weakening of the Diem regime's political position during the Buddhist-student crisis, the Viet Cong had clearly recovered their balance and embarked on a new and more effective phase of their protracted struggle. The major task confronting the new government will be that of checking this new Viet Cong surge, and gaining the popular support necessary to sustain the counterinsurgency effort.

3. The recrudescence of the Viet Cong insurgency is most evident in operational statistics reported from Saigon. Trends which appeared to be favorable after mid-1962 now seem to have been reversed. Since mid-July, the Viet Cong incident rate, including armed attacks, has increased by about one third over the first half of 1963, and is above the level sustained during the last half of 1962. The previously wide gap in casualties has narrowed markedly since July. While Viet Cong losses are at about the same levels as for last year and the first half of 1963, government casualties have increased by over one third since July, and are running 50 percent above the 1962 average.

4. The ratio of weapons losses, which favored the government earlier this year, has turned dramatically in favor of the Viet Cong. Government weapons losses are up by more than 50 percent since July and are running 80 percent above the 1962 average, but Viet Cong weapons losses have remained at about normal levels. The 1,800 weapons lost by government forces since June would be enough to arm either six "main force" battalions, 22 district companies, or 70 village militia platoons.

5. The pace of Viet Cong guerrilla activity had slackened after mid-1962 while the Communists sought means of coping with the new situation created by the vast increase in US military assistance to government forces. The intensification of the insurgency in recent months reflects an apparent decision by Hanoi this spring to bolster Viet Cong military strength in order to counter the new US Vietnamese programs. Gearing their plans to a long

and arduous struggle, and demonstrating their continuing emphasis on its political aspects, the Communists have launched a direct counteroffensive against the strategic hamlet program. They have modified their tactics to optimize their capabilities and reduce their vulnerability to government countermeasures. Armed attacks are now focused almost exclusively on strategic hamlets and small outposts manned by paramilitary forces. Simultaneous attacks on groups of hamlets, aimed at disrupting mutual support arrangements, are being effectively combined with ambushes of reinforcing troops. These actions, together with intensified propaganda, sabotage, and terrorist activities against the hamlets, are designed to shake the confidence of hamlet defenders and to demonstrate the continuing insecurity of the populace even within protected hamlets. Overt activities almost certainly are being complemented by equally intensive subversive pressures aimed at penetrating and winning over inhabitants and defenders of strategic hamlets.

6. At the same time, Viet Cong regular units are fortifying their operational bases to reduce their vulnerability to government clearing operations, and are constantly improving their antiaircraft techniques. The improved combat effectiveness resulting from these tactical shifts is apparent in the decreasing gap in casualties noted above. Their new posture has improved Communist morale, as evidenced in the reduction in Viet Cong defections since July.

7. While modifying their tactics, the Communists have continued to evolve larger and better equipped units. The creation of five regiments--each with a strength of 1,500 to 2,000 troops--has now been confirmed. Three of these units are in the northern highlands near the coast, and two are in Viet Cong base areas north of Saigon; two other regiments may exist in the delta area. These regiments include signal, engineer, intelligence, and other specialized support units in addition to heavy weapons elements equipped with 75-mm. recoilless rifles, mortars, and antiaircraft machine guns.

The numerical strength and firepower of separate Viet Cong battalions, companies, and platoons has also increased. The growth of their formal military structure is reflected in the continued expansion of the Viet Cong military radio nets, which is particularly apparent in the highlands area.

8. The over-all strength of the Communist forces is now estimated by COMUSMACV at 21,000-23,000 regulars and 60,000-80,000 irregulars. These figures reflect a reduction from previous estimates by 2,000-3,000 regulars and 40,000-45,000 irregulars. The decrease is attributed by COMUSMACV to heavy casualties inflicted on the Viet Cong and the constriction of the Communist recruiting base resulting from the strategic hamlet program. Analysis of manpower factors in Vietnam suggests such a reduction may be premature. If it is assumed that all of the populace residing in "completed" strategic hamlets is effectively denied to the Viet Cong for recruiting purposes--a situation not yet demonstrated--the Communists would still have relatively free access to about a half million physically fit males of military age. This manpower base is sufficient to enable the Viet Cong forces to replace their losses at current rates for the next ten years. There has been no reported evidence that Communist combat losses or the expanding strategic hamlet program have resulted in the elimination or uprooting of any Viet Cong organization or unit, political or military. We would expect some such evidence when the tide turns decisively against the Viet Cong.

9. Hanoi's increased support for the Viet Cong effort is indicated in an apparent step-up in the infiltration of cadres and heavy weapons. There is little firm intelligence available on personnel infiltration since late 1962, but there are indications of an influx in April and May of this year, and again in August. Preliminary evidence suggests that this influx included organized units, as well as groups of cadres and specialists.

10. Although the Communists continue to rely largely on captured or locally manufactured weapons and ammunition, increasing numbers of bloc-manufactured weapons are being found. Large quantities of explosive raw materials have also been seized on river craft while being smuggled into the country from Cambodia. Although some of these supplies may be infiltrated overland through Laos, it seems likely that a significant quantity is being shipped via Cambodia by covert means from North Vietnam.

11. Some Viet Cong movements within Laos are made by truck, but there is no evidence that a continuous motor route linking North Vietnam with South Vietnam has been completed. The construction of such a route, which might be accomplished during the current dry season, would significantly enhance Viet Cong logistical capabilities in the highlands area and alter the entire nature of the war.

12. Despite their renewed effort, the Viet Cong are faced with two significant problems--their continuing shortage of food in the highlands, and the difficulty of maintaining morale under harrowing conditions. Their already difficult food problem in the mountain areas has been made more serious by the strategic hamlet and paramilitary programs, which have restricted Communist food requisitioning efforts. As a result, they have continued to divert combat units to food production tasks, and many of their attacks are conducted primarily to seize food from defended villages. Viet Cong morale has consistently been lower in the highlands than elsewhere because of these and other difficulties. However, the drop in the number of military desertions since July, together with the decreasing response to the Chieu Hoi program, suggests that Viet Cong morale may have improved. The sharp increase in Viet Cong activity following the overthrow of the Diem government probably has the double objectives of stimulating Viet Cong morale by a flurry of easy successes against soft targets while underscoring to the populace that the basic situation has not changed with the demise of President Diem.

13. The renewed Viet Cong effort developed in the face of the government's vigorous counter-insurgency programs which began to have effect last year. In addition to stepping up the tempo of its tactical operations, the government has been following through on other measures to improve its military posture. The training of paramilitary forces--notably the hamlet militia, Citizens' Irregular Defense Groups, and the Civil Guard--has continued, and new tactics, emphasizing ambushes and night patrols, have been instituted. Psychological operations have been increased, with emphasis on the Chieu Hoi "returnee" program aimed at winning over Viet Cong adherents. Most recently, the government's territorial command structure has been revised and refined, concurrently with the deployment of an additional division to the Viet Cong-infested Mekong Delta.

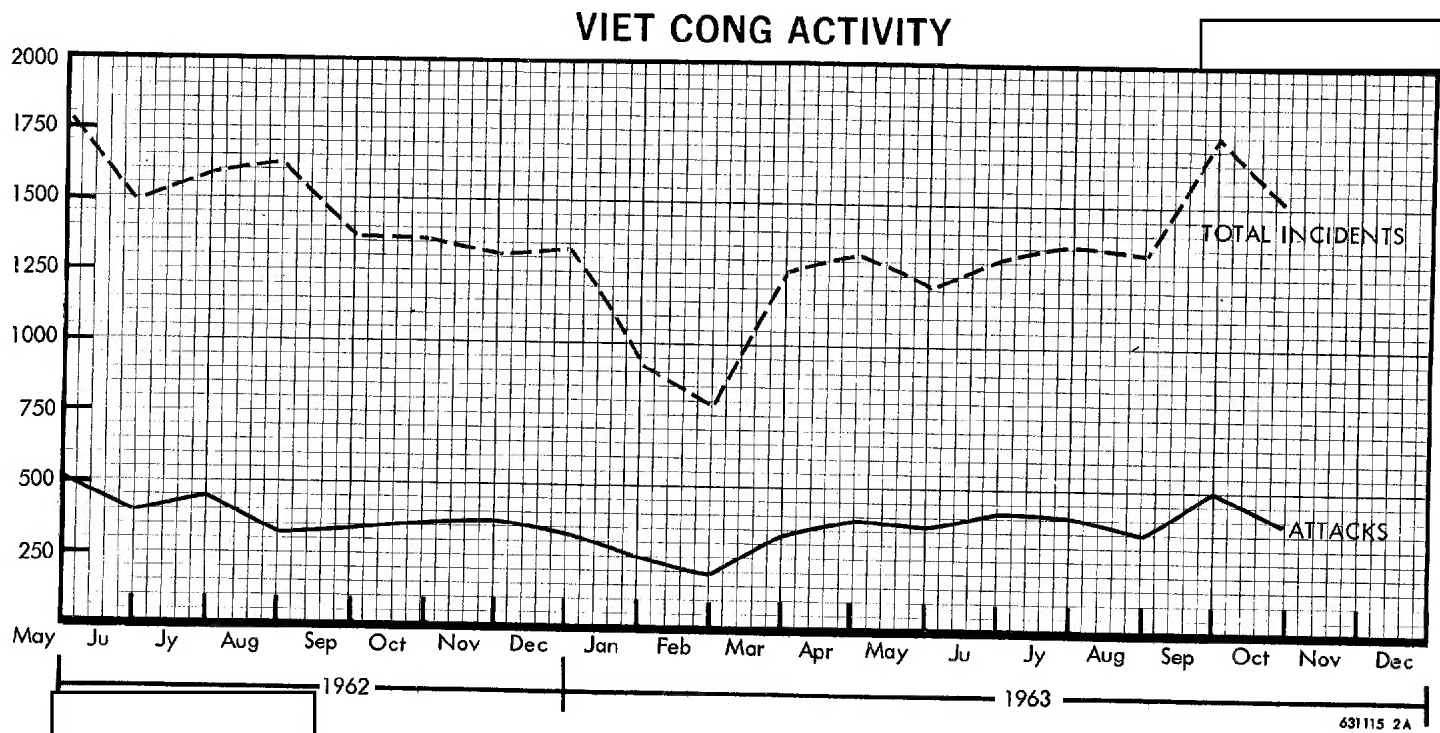
14. The construction of strategic hamlets has progressed steadily except in the delta area, where it has suffered reverses in many provinces. Some 8,300 hamlets containing 77 percent of the rural populace were completed by the end of October. Most of these were established in areas already under government control, and the program had not yet been extended into Communist-held territory. The program has thus far emphasized the initial physical security aspects, however, and the political, social, and economic improvement programs necessary for winning the support of the people against the Viet Cong were just beginning before the fall of Diem.

15. Hamlet defense elements have often fought well, but the training of hamlet militia is lagging behind the construction program. About one third of those trained have not yet been armed, largely because of suspicions concerning their loyalty.

16. The over-all effectiveness of the government's counterinsurgency effort has been blunted by its political modus operandi. Under Diem, the efficiency of key programs was hindered by frequent shifts in the assignment of province chiefs and by bureaucratic bottlenecks. By repressing the Buddhists and students, the government alienated important segments of the urban populace, and certainly did not enhance its position with the peasantry. Now, the new government faces a Viet Cong organization which appears to have recovered from the uncertainty which characterized its initial reaction to the stepped-up US involvement of 1961-62.

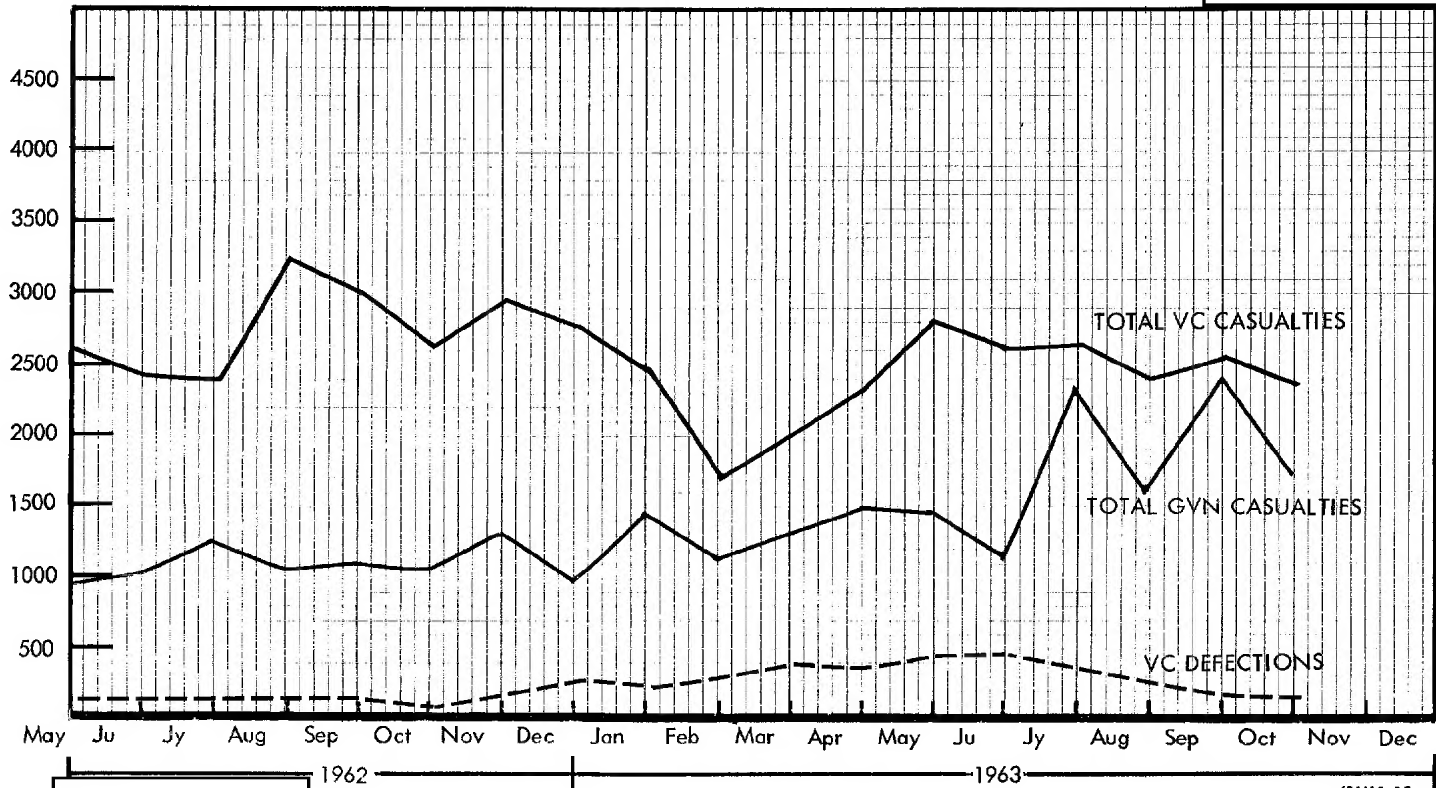
17. It remains to be seen how the Vietnamese Government will meet the need to rally popular support, defeat Viet Cong military forces, limit Viet Cong access to North Vietnam, and roll up the Viet Cong clandestine apparatus. It can only be said that the Viet Cong have continued to show the resourcefulness, adaptability, and will which has characterized their near-continuous involvement in guerrilla fighting since 1945. They forced the French to withdraw after nine years of sanguine struggle, and there is no evidence that a mere change of hands in Saigon will cause them to lose heart for the struggle now.

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## COMPARATIVE CASUALTIES



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